

Summary of Group Results | The Swiss Life Group achieved a very good result in 2007 and set the course for a successful future.

The net profit of CHF 1368 million is the highest in the history of the company, corresponding to a return on equity of 18.1%.

Embedded value rose by 20% to CHF 12.8 billion.

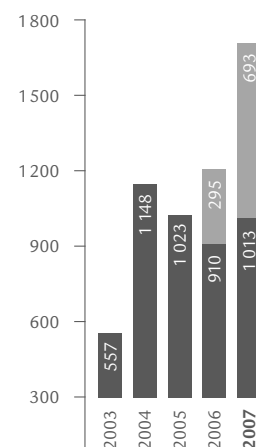
CONSOLIDATED RESULT | Due to the sale of its Dutch and Belgian operations and of Banca del Gottardo announced in November 2007, Swiss Life adjusted the presentation of its annual accounts in accordance with the relevant regulations, gearing them to the continuing operations. Insurance operations are broken down by country. The units sold are fully consolidated up to the completion of the transaction in question, but only their net contribution to the net profit is included in the Consolidated Statement of Income. The segment reports on the other hand contain the full results of the units sold also for 2007. The previous year's figures have been adjusted accordingly to enhance comparability. In the Balance Sheet, too, the assets and liabilities of the units sold are stated separately.

TARGETS ACHIEVED | In its 150th year of operation, the Swiss Life Group generated a net profit of CHF 1368 million, the highest in its history. After allowing for CHF 23 million for minority interests, CHF 1345 million is available for the shareholders of Swiss Life Holding. This translates into (diluted) earnings per share of CHF 39.60 and a return on equity of 18.1%. Adjusted for the profit contribution from a reserve release of around CHF 300 million due to a change in Dutch law, the profit amounted to CHF 1064 million and the return on equity to 14.3%. The overall premium volume came to CHF 24.2 billion. This means that, already in 2007, Swiss Life achieved the financial targets originally set for 2008.

PROFIT FROM OPERATIONS UP 11% | The profit from operations from continuing operations was raised by 11% to CHF 1013 million, to which the Swiss insurance segment contributed the largest share amounting to CHF 650 million. Despite a distinctly lower financial result, the Swiss segment managed to maintain the profit level of the previous year. Insurance operations in France generated a segment result of CHF 324 million, an increase of 54% against the year before. Comparability with the previous year was, however, influenced by the sale of the ERISA companies. Without this one-off effect, the French segment reported a 32% profit increase to CHF 187 million. For insurance operations in Germany, Swiss Life posted a segment result of CHF 65 million. As two special effects burdened the 2007 figures to the amount of roughly CHF 40 million, the segment result receded by CHF 19 million despite the operational advances achieved. The Insurance Other segment, which comprises the Liechtenstein and Luxembourg locations, generated a segment result of CHF 8 million, in contrast to the loss of CHF 3 million posted in 2006 due to the losses incurred on the sale of the Italian business. In the Investment Management segment, Swiss Life boosted its result from CHF 50 million to CHF 93 million thanks to higher returns and the transfer from the insurance sector of the investment company in Germany responsible for asset management. The result of the segment Other, comprising primarily financing and holding companies, and the eliminations offset one another. Overall, continuing operations achieved a net profit of CHF 726 million, up 26% against the previous year.

Profit from operations

In CHF million



■ Continuing operations
■ Discontinued operations

Segment results

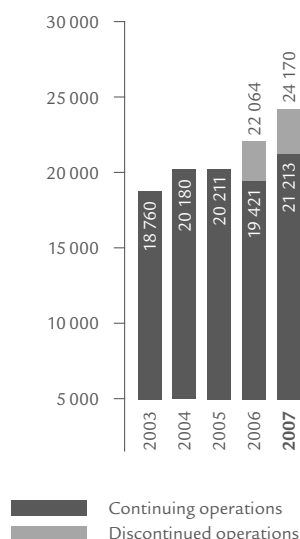
Total 100%



- 1 Insurance Switzerland 37%
- 2 Insurance France 18%
- 3 Insurance Germany 4%
- 4 Insurance Other 1%
- 5 Investment Management 5%
- 6 Discontinued Insurance 26%
- 7 Discontinued Banking 9%

Gross written premiums, policy fees and deposits received

In CHF million

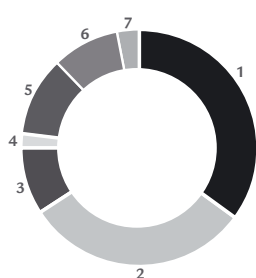


The profit contribution by discontinued operations amounted to CHF 642 million. The increase compared to 2006 was due to the significantly higher result from the discontinued insurance segment. This result rose from CHF 144 million to CHF 471 million owing to the above-mentioned release of a reserve position of around CHF 300 million. The segment profit of the sold banking business came to CHF 168 million.

MAINTAINING GROWTH MOMENTUM | In continuing operations, the gross premiums, policy fees and deposits received under insurance and investment contracts amounted to CHF 21.2 billion, which represents an increase of 9% year on year. Swiss operations contributed a significant portion, registering a premium volume of CHF 8.4 billion. This translates into an above-average growth of 11%, enabling Swiss Life to further consolidate its leading market position. The largest contribution to the rise in premium volume, however, stemmed from Liechtenstein. The advance in its premium volume by over CHF 2 billion originated from the acquisition of CapitalLeben and from ongoing strong organic growth. In France, the reported premium income receded by 10% to CHF 7.4 billion owing to the sale of the ERISA companies. In the first half of 2007, these companies still contributed premium income totalling CHF 1.9 billion. Disregarding the ERISA companies, the growth in France amounted to 6%. In Germany, premium income rose by 2% to CHF 2.2 billion, whereas in Luxembourg, it declined temporarily from CHF 841 million to CHF 508 million owing to the location's strategic realignment.

Gross written premiums, policy fees and deposits received by country

Total 100%



- 1 Switzerland 35%
- 2 France 31%
- 3 Germany 9%
- 4 Luxembourg 2%
- 5 Liechtenstein 11%
- 6 Netherlands 9%
- 7 Belgium 3%

At CHF 389 million, policy fees from insurance and investment contracts remained in line with the previous year's result. The rise in Liechtenstein and Germany was neutralised by the drop in France resulting from the sale of the ERISA companies. Fee income from asset management and other commission income came to CHF 196 million, remaining on a par with the previous year.

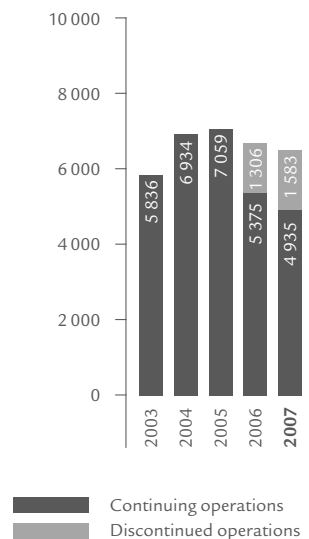
Key figures for the Swiss Life Group			
In CHF million	2007	2006	+/-%
Gross written premiums, policy fees and deposits received	24 170	22 064	9.5%
Net earned premiums and policy fees	13 705	12 673	8.1%
Asset management and other commission income	196	198	-1.0%
Financial result (without share of results of associates)	4 923	5 364	-8.2%
Other income	147	-16	n.a.
Total income	18 971	18 219	4.1%
Net insurance benefits and claims	-13 268	-12 012	10.5%
Policyholder participation	-1 746	-2 143	-18.5%
Interest expense	-455	-722	-37.0%
Operating expenses	-2 489	-2 432	2.3%
Total expenses	-17 958	-17 309	3.7%
Profit from operations	1 013	910	11.3%
Net profit	1 368	954	43.4%
Equity	7 334	7 851	-6.6%
Insurance reserves	121 829	153 800	-20.8%
Assets under management	121 167	205 490	-41.0%
Assets under control	138 946	214 041	-35.1%
Return on equity (in %)	18.1	12.2	48.4%
Number of employees (full-time equivalents)	8 556	8 693	-1.6%

SATISFACTORY FINANCIAL RESULT | The financial result from investments held at own risk in continuing insurance business receded by 3% to CHF 4.2 billion. In terms of direct income, Swiss Life benefited from rising interest rates and higher hedge fund and dividend distribution. The direct investment return was 4.1% (2006: 3.3%). Taking into account asset changes relevant to the income statement and asset management costs, the net investment return came to 3.7% (2006: 3.9%). Whereas in 2006 Swiss Life had realised net capital gains of CHF 783 million, it posted a net capital loss of CHF 218 million for 2007. This was attributable to the negative trend on the international financial markets since the middle of 2007. Swiss Life is not directly affected by the crisis on the US mortgage market. However, for the 2007 accounts, it decided to completely write off positions vulnerable to a further aggravation of the liquidity situation brought on by all the market turbulence. The total investment return of 1.0% also includes the asset changes directly reflected in equity. The rise in interest rates had a negative impact on the investment return.

EFFICIENCY AGAIN ENHANCED | Insurance benefits and changes in the mathematical reserve rose by 10% to CHF 13.3 billion, mirroring the business growth. Owing to the lower financial result, policyholder bonuses declined by 19% to CHF 1.7 billion. Interest expense (excl. borrowing costs) decreased by 37% to CHF 455 million, mainly as a consequence of the sale of the ERISA companies.

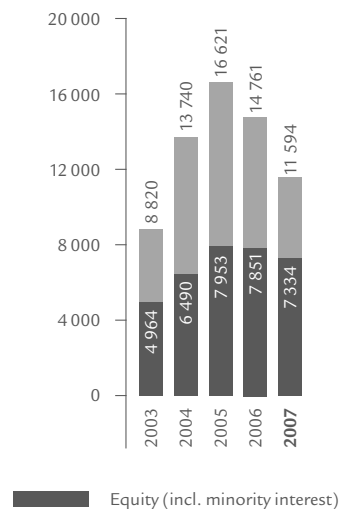
Financial result

In CHF million



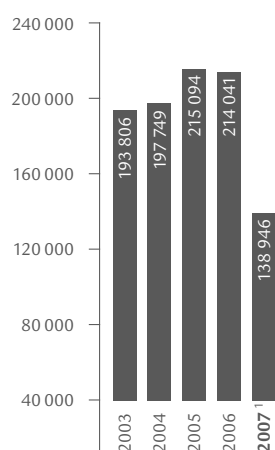
Core capital

In CHF million



Assets under control

In CHF million

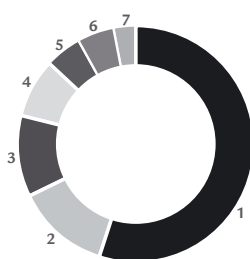
¹ Continuing operations

Operating costs were reduced by a further 2% in spite of the vigorous growth. In Switzerland, they were pushed back by a full 7%. This welcome development, which also strengthens the company's competitiveness in its home market, is primarily due to the efficiency gains achieved from the successful integration of «La Suisse» and the simplification of the systems landscape in individual insurance. At Group level, the operating expenses climbed to CHF 2.5 billion, a 2% increase against the previous year. This increase is due primarily to overall growth and the effect of the rising euro. Tax expenses totalled CHF 122 million, down CHF 104 million on 2006 because of tax rate cuts in Germany and Switzerland and changes with regard to tax-privileged financial gains.

SOLID CAPITAL BASE | On a comparable basis, liabilities from insurance operations advanced in line with growth and the course of business by 11% to CHF 121.8 billion. In 2007, shareholders' equity decreased by 4% to CHF 7.3 billion. The hike in interest rates led to a reduction in the revaluation reserves for bonds. For the same reason, the core capital declined by 21% to CHF 11.6 billion. Owing to the sale of the ERISA companies, the overall balance sheet total fell from CHF 187.0 billion to CHF 179.8 billion. The solvency ratio, calculated according to the new regulations issued by the Federal Office of Private Insurance, came to 162% (2006: 194%). Total assets controlled by the Swiss Life Group from continuing business amounted to CHF 138.9 billion.

Asset allocation as at 31.12.2007
(insurance portfolio)

Total 100%



- 1 Bonds 55%
- 2 Loans 13%
- 3 Real estate 11%
- 4 Shares 8%
- 5 Mortgages 5%
- 6 Alternative investments 5%
- 7 Cash and cash equivalents 3%

Asset allocation as at 31 December (insurance portfolio)

In CHF million	2007		2006	
Shares	9 417	8.3%	7 221	6.5%
Alternative investments	6 025	5.3%	4 832	4.4%
Real estate	12 252	10.8%	11 567	10.4%
Mortgages	5 927	5.2%	6 355	5.7%
Loans	15 113	13.3%	16 587	15.0%
Bonds	61 930	54.5%	57 933	52.3%
Cash and cash equivalents	2 955	2.6%	6 362	5.7%
Total	113 619		110 857	
<i>Net equity exposure</i>		7.5%		7.0%
<i>Duration of bonds</i>		8.7 years		8.4 years

EMBEDDED VALUE | Embedded value serves as an indicator of the value of the existing insurance portfolio. It is made up of three components: the present value of future profits (PVFP) minus the present value of the cost of holding capital (CoHC) and the adjusted net asset value (ANAV) attributable to shareholders. Future new business is not included.

For the PVFP calculations, best estimate assumptions are made regarding a number of factors, in particular returns on investment, the development of costs and claims, insurance customers' participation in surplus and the risk discount rate. Business is also assumed to be continuing at the same level (going concern) and the current cost ratios – adjusted for inflation – are thus assumed to hold good for the future as well. The opportunity costs of the capital to be provided by shareholders to cover the statutory solvency margin arising from the existing insurance contracts for their current maturities is charged to the PVFP.

The extent to which the embedded value is dependent on the assumptions made can be seen in the “Economic sensitivities” table on the next page.

DEVELOPMENT IN 2007 | Embedded value for the Swiss Life Group came to CHF 12 837 million as at 31 December 2007. This corresponds to an increase of CHF 2172 million compared with the previous year and an embedded value per share of CHF 367. A compilation of changes in embedded value is shown in the “Analysis of change” table on the next page. Extraordinary impacts arose in 2007 from the sales of Banca del Gottardo (effect of CHF 608 million, net of taxes and expenses) and the insurance units ERISA, Swiss Life Belgium and Swiss Life in the Netherlands (effect of CHF 59 million, net of taxes and expenses). The embedded value of the insurance companies sold was determined by their selling price. All positions in the analysis of change, except the unwind and the impact of the sales, relate solely to the continuing insurance business.

Embedded Value of the Swiss Life Group as at 31 December			
In CHF million	2007	2006	+/--%
Switzerland	4 847	4 053	+19.6%
Europe without Switzerland	4 996	4 502	+11.0%
ANAV Swiss Life Holding ^{1,2}	2 994	2 110	+41.9%
Swiss Life Group	12 837	10 665	+20.4%
thereof ANAV ¹	8 705	6 793	
thereof PVFP ³	4 880	4 922	
thereof cost of holding capital	- 748	-1 050	

¹ Adjusted Net Asset Value

² Equity of Swiss Life Holding less book value of Swiss Life/Rentenanstalt and embedded value of Swiss Life Luxembourg (for 2007)

³ Present Value of Future Profits

Assumptions for Embedded Value Calculations				
	Switzerland		Europe without Switzerland	
	current	in 5 years	current	in 5 years
Risk discount rate	7.0%	7.0%	8.0%	8.0%
Total weighted return on new money	4.0%	4.3%	4.9%	5.4%
<i>Return assumptions per asset class</i>				
Return on bonds	3.3%	3.8%	4.7%	5.2%
Real estate return	4.5%	4.7%	5.4%	5.4%
Equities return	6.5%	6.5%	7.5%	7.5%
Return on alternative investments	6.5%	6.5%	7.5%	7.5%

Analysis of change	
In CHF million	
Embedded value of the Swiss Life Group as at end of 2006	10 665
Dividend payments	-245
Unwind 2007	+674
2007 investment return: variance from assumptions made at the end of 2006	+119
Future investment return: variance from assumptions made at the end of 2006	+672
Impact of new hybrid capital	+63
New treatment of policyholder participation in unrealised gains	-512
Re-evaluation of reserving after IT systems migration in Swiss individual life business	+304
Fiscal effects: variance from assumptions made as of the end of 2006	+115
Change in currency exchange rate	+141
Value of new business 2007	+118
Various	+56
Effect of divestments	+667
Embedded value of the Swiss Life Group as at end of 2007	12 837

Economic sensitivities				
In CHF million	Switzerland	Europe without Switzerland	ANAV Swiss Life Holding	Total
Embedded value of the Swiss Life Group as at end of 2007	4 847	4 996	2 994	12 837
Impact of 100 bp increase in investment return	+509	+420		+929
Impact of 100 bp decrease in investment return	-679	-398		-1 077
Impact of 100 bp decrease in risk discount rate	+337	+278		+615
Impact of 100 bp increase in return on new bond investments	+151	+255		+406

New business sensitivities	
In CHF million	
Value of new business 2007	118
Impact of 100 bp increase in investment return	+47
Impact of 100 bp decrease in risk discount rate	+28
Impact of 100 bp increase in return on new bond investments	+29

Attestation regarding embedded value information as at 31. December 2007

"PricewaterhouseCoopers has reported to the Board of Directors that, based on the procedures performed, in their opinion:

- The methodology set out in the EV-Guidelines, in all material respects and with due regard to the nature of the business, is appropriate and consistent for the purpose of the (traditional) embedded value;
- The local implementation of the methodology is, in all material respects and with due regard to the nature of the business, consistent with the prescriptions of Swiss Life Group and in line with general market practice;
- The assumptions determined by the Swiss Life Group are reasonable to derive the embedded value information;
- The embedded value information has been properly compiled on the basis of the chosen assumptions and methodology.

The assurance report issued by PricewaterhouseCoopers to the Board of Directors, where the assumptions made, the work performed and the results are outlined, can be seen on www.swisslife.com."